

Last evening, I drove home from the Capitol, and I thought about the day. When I left, I left the conference committee between the House and the Senate on agriculture appropriations. It was a conference committee in a small room. There were a lot of people. It was cramped and hot. The result of that conference committee was a party-line vote to reject a proposal by President Clinton to provide nearly \$8 billion of emergency aid to deal with the farm crisis.

Instead, the conference committee accepted the majority party's proposal of roughly \$3.9 billion which almost everyone understands comes far short of what is necessary. I also thought about the news yesterday that was described in a story in the Washington Post this morning. I was thinking about it on the way home because I was thinking about the juxtaposition. It was a story about a hedge fund. This particular hedge fund apparently had liabilities upwards of \$100 billion and ran into serious problems. And then the rescuers were brought together under the Federal Reserve Board's so-called official sponsorship.

The banks were brought together, and they put together a rescue package for this group that is involved in hedging. By the way, the Fed spokesman said they are helping sponsor this rescue package not with Federal funds but from all of the lenders. The Fed felt it had to get these lenders together for a rescue package because it had a "concern about the good working of the marketplace and the large risk exposure and potential for a disruption of payments."

One wonders about such an organization that is involved in hedging. By definition this is a rather speculative occupation. In fact, one of the principals had been one of the top officials at the Federal Reserve Board. He went over to this hedging operation. It grows and expands, and then has liabilities up to \$100 billion. I have no idea what the assets were. Then it gets in trouble. But then instead of having the marketplace assess its future, the Federal Reserve Board apparently brings together the lenders and says, "Well, gosh, you're too big to fail."

If you apparently work in these environs, have these contacts, and are involved in this kind of risk, you are too big to fail. But what if you are one of those family farms out there that has seen what has happened to their wheat price. The price of wheat has been going down, down, down. These family farmers are told, "You're too small to matter." What is the difference between those who are too big to fail and those who are too small to matter?

I guess it is economic clout in the form of sheer raw economic power.

I would hope that we would have the opportunity to decide in this Congress that family farmers ought not be failing in this country either. The fact is this country will lose something very

important to its future if we decide that family farmers do not matter. Right now they are suffering through a crisis that is very significant and one that we must address.

The question is whether we will address it in a kind of a puny, cheap way that does not solve it? Will Congress do just enough to pull us through the election for a month or two? Or is Congress going to address it and say, "Farmers, we're on your side. You matter to this country. We're going to do something significant to help you get in the field next spring, help you harvest next fall, and give you some hope that maybe you can make a decent living?"

Mr. President, I notice that a couple of my colleagues perhaps want to propound a unanimous consent request. And I will be happy to yield the floor briefly provided that I retain my right to the floor and provided it is not going to take 15 or 20 minutes. If they intend to propound a unanimous consent request that is very brief, I am happy to interrupt my presentation and allow them to do that so they don't have to wait.

Mr. HARKIN. I thank my friend from North Dakota. I wanted to join him in talking about the agriculture situation, but I appreciate if he would yield the floor, and he can get the floor back when Senator DOMENICI and I finish.

Mr. DORGAN. I ask unanimous consent I regain the floor following the unanimous consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 4060

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Senate now proceed to consideration of the conference report to accompany H.R. 4060 and that there be 45 minutes for debate, with 30 minutes under the control of Senator GRAHAM of Florida, 5 minutes under the control of Senator JEFFORDS, and the remaining 10 minutes equally divided between Senator REID, the minority manager, and myself; further, I ask that upon the conclusion or yielding back of the time, the conference report be agreed to and the motion to reconsider be laid upon the table.

Mr. HARKIN. Reserving the right to object, and I won't object, but I did want to engage in a brief colloquy here with the distinguished chairman of the Budget Committee regarding statements I made earlier on the floor that Senator DOMENICI also made earlier on the floor.

I did not want to hold up the energy and water bill at all, but I did want to make a strong case that the Labor, Health and Human Services Appropriations Subcommittee is having some very, very severe problems in meeting the basic health and education needs of the country and the requirements that other Senators and House Members

have imposed on us. We simply don't have the outlays necessary to do the job. I asked the help of the Budget Committee chairman in this regard.

At the outset, again, I want to make clear for the record that Senator DOMENICI has been a strong supporter of our subcommittee. I know he has worked very hard and very diligently to make sure we do have the kind of resources that we need. However, it is clear that we have come up short.

I just wanted to ask the Senator from New Mexico if he could, perhaps, enlighten me further as to where we might be on this issue.

Mr. DOMENICI. Senator HARKIN, let me thank you very, very much for the consideration you are giving us today in letting this very important bill pass.

I think the Senator knows that while a lot of what I do as chairman of the Budget Committee is fun work, a lot of it isn't very much fun. That part that isn't very much fun is the issue of who is right on the scoring—OMB or CBO. I am charged with the responsibility, if there is a difference between them, of going through it, line by line, program by program, with my staff, and if there are, indeed, errors that run in favor of OMB, which means you would have more money to spend, if they are based on policy differences that were not taken into consideration when CBO did theirs, we make the adjustment.

I can report, as staff on your committee knows, we have found \$215 million in outlays where we found policy errors, and they came mostly from the IDEA program where they made changes and they were taken into consideration regarding the new policy costs, so we are at \$215 now.

I assure the Senator that I am totally aware of the difficulties in the bill. I will continue to review the scorekeeping baseline assumptions made for your bill by both OMB and CBO and see if there are any other adjustments that need to be done to accommodate the concerns the Senator has expressed on the floor.

Mr. HARKIN. I thank the distinguished chairman of the Budget Committee for his diligence in looking at this.

Believe me, I know it is a tough job. I can only imagine being chairman of the Budget Committee in these times, working under the constraints under which we have to work. I have a lot of sympathy for the Senator's position on this.

As I said in my opening remarks, I know from my past experience in dealing with the Senator from New Mexico of his strong support for those programs that we have, whether it is IDEA, whether it is drug treatment, or NIH research or community health centers. I could go down the list. I know the Senator from New Mexico has been a strong supporter of these. I am very grateful for his work in diligently finding this extra money in terms of finding the policy differences. And I appreciate his commitment to

continue to review these differences and to make other appropriate adjustments. Hopefully, as we move along, there will be others. I pledge to him that I will work closely with him as we move towards completion of the important work on this bill.

Again, I thank the distinguished Senator for his consideration and his efforts in helping us to get to this point. I appreciate it very much.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, the regular order says we finish this discussion, but we are waiting for one of the Senators to see if they really want to speak.

Mr. DORGAN. The regular order is that I am recognized following the unanimous consent request, and I was recognized for an hour. I will not take all of that hour. The regular order is that the Chair would recognize me.

The PRESIDING OFFICER. The Senator is correct. The Senator from North Dakota is recognized.

Mr. DORGAN. Mr. President, thank you very much. I was happy to allow the unanimous consent request to be granted.

#### THE FARM CRISIS

Mr. DORGAN. Mr. President, I know the Senator from Iowa wishes to join in this discussion, and I am happy to have his input.

I was driving home last evening after the Agriculture appropriations conference committee, and I was once again struck by how some in politics here just sort of shrug off some things that are so important. I am referring especially to the future of family farming. It is true that almost every day you see something around here in which someone treats the important things too lightly and then someone treats the light things in a far too serious way. It is hard to see that things are treated appropriately.

There is no more urgent need in this country, in my judgment, than to address the farm crisis at this time. If we do not act on a timely basis, we will not have family farmers left in the Farm Belt given their current circumstances.

Again, this chart shows the price of wheat. This is the income our farmers receive for their production. In 1 year in North Dakota, our farmers lost 98 percent of all their net income. It was just washed away. Their net income was virtually all gone. It was a 98 percent drop in their paycheck. Think of it this way: What if this were your salary or your wage? Look at what has happened, month after month after month after month. This is the gross returns that our farmers receive. The price of wheat in our part of the country is down, down, down, way down. In fact, the price of wheat has fallen 57 percent since the Freedom to Farm law was passed.

These families are out there living on the land, turning the yard light on, il-

luminating the dreams and hopes of a family that is trying to make a go of it. They are discovering they are going broke in record numbers and nobody seems to care much because we have people that chant on street corners in Washington, DC, "the marketplace, the marketplace, the free market."

There is no free market. What a bunch of unmitigated baloney. This is no free market. There has never been a free market in agriculture, and there will not be one.

This is picture of a farmer that is being sold out. This is an auction sale. All his equipment is being sold. These farmers go broke and they have an auction sale. They are told, gee, you didn't make it in the free market.

Let's examine this free market. This farmer plants some wheat in the spring and harvests it in the fall, if the farmer has some good luck. If it doesn't rain too much, and if it rains enough; if the insects don't come and if the crop disease doesn't come; if it doesn't hail; if all those things don't occur or do occur, this farmer may or may not get a crop. And then this farmer puts that crop, after a hard day's harvest, into a truck and puts it on a county road and goes to market. He pulls up to an elevator and the elevator manager says, "You can dump that grain in my country elevator." Guess what it costs a farmer to produce that crop? It costs five dollars a bushel to produce that bushel of wheat, and the elevator man says he is prepared to give the farmer \$2.50. In other words, he is prepared to give only half of what it costs the farmer to raise it.

The elevator man says, "What I want to do is to put that grain on the railroad car and the railroad company will charge you twice what it is worth to haul it, and they will haul to the miller who will make a record profit grinding it, and they will send it perhaps to a grocery manufacturer and they will puff it and pop it and crisp it and flake it and they will put it in a bright colored box." Then they are going to ship it to the grocery store shelf and somebody out there is going to come and buy it in Pittsburgh, or Fargo, or Los Angeles. These consumers are going to pay \$4 a box for a bright-colored box of wheat that is puffed up and called puffed wheat now. The person who put the puff in it is making record profits, the person who hauled it on the railroad car is making record profits, and the miller is making record profits. Everybody is making record profits, except the farmers who got their hands dirty, gassed up the tractor, plowed the ground, seeded and fertilized the ground, harvested the crop, and hauled it to market. They are going broke in record numbers. Yet, nobody seems to care a bit.

Last night, in that conference committee, they were stone deaf to a proposal by this President who said we need \$8 billion in emergency aid, and we need it now if we are going to solve this farm crisis. They rejected that on

a straight party-line vote. It is not that there is not enough money. They think they have enough to give an \$80 billion tax cut. The sky is the limit there. But how about another \$4 billion for family farmers? That is what we were talking about last night. We were asking just another \$4 billion more to save family farmers. They have \$80 billion for a tax cut, but they don't have another \$4 billion to invest in the lives of these people, who I think are the salt of the Earth. Family farmers are the ultimate risk-takers.

Let me mention one more point about this free market. I talked about the monopoly railroads that haul the grain and the monopoly grain trade firms. Wherever you look, in every direction our farmers face a monopoly. It doesn't matter which way they turn. Let's say we have a cow out here. They are raising wheat, corn, soybeans, and they are raising some cows. They are going to send the cow to market. But are they going to make money off that cow? I don't think so, because that cow is going to be sold into a monopoly. Four firms control over 80 percent of all the slaughter of beef cattle in this country. That farmer markets up to a monopoly. That farmer moves the grain to a monopoly railroad and markets into a monopoly grain trade.

Then we have these half-baked economists who talk about the free market. Harry Truman used to say, "Give me a one-armed economist. I'm sick and tired hearing 'on this hand' and 'on the other hand.'" I am not sure how many economists we have around here talking about the free market. Maybe we ought to put a robot out on the street corner and let him chant, "There is no free market here."

In every direction, the farmer is getting fleeced. This Congress, for a change, needs to say we are going to be on the side of the ultimate producers in this country, who are the economic all-stars in this country. If we don't, we won't have any family farmers left.

I had a young boy named Wyatt write to me. He is a sophomore at a school in Stanley, ND. The other day in a letter to me, he said, "I am a 15-year-old farm boy. My dad can feed 180 people, but he can't feed his own family." That says something about family farming. It says how productive they are, how important they are, how incredible they are as producers, and what they have to face in a market controlled by economic giants that pillage and prey on these family farmers every day and in every way. And, they do it in such a way that family farmers can't make a living.

This Government and this Congress, has to decide whether we are going to stand up for these people or not. We are going to force another vote on the floor of the Senate. We have had two votes to get a decent support price, and we lost by a handful each time. But for those who don't want to vote on this, I say: Brace yourself, because you are going to have to vote again. We are not